

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Gen. Cty. Metro. Planning Commission	County Genesee
Fiscal Year End 9/30/06	Opinion Date 12/22/06	Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP). No required as Commission is a dept. of Genesee County.
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe) Single Audit	<input checked="" type="checkbox"/>		
Certified Public Accountant (Firm Name) Plante & Moran, PLLC		Telephone Number 810-767-5350	
Street Address 111 E. Court St., Suite 1A		City Flint	State MI
Zip 48502			
Authorizing CPA Signature 	Printed Name Tadd Harburn		License Number 1101014134

**Genesee County Metropolitan Planning Commission**  
**(A Fund of Genesee County)**

**Financial Report**  
**With Other Supplementary Information**

**September 30, 2006**

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements:	
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balance	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	5
Notes to Financial Statements	6-9
Other Supplemental Information:	
Balance Sheet – by Program	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – by Program	11-12
Schedule of Revenues and Expenditures – Grantor Approved – Budget and Actual	13
Schedule of Expenditures by Grant Source	14
Analysis of Pension Funding Progress	15



*Independent Auditors' Report*

To the Board of Directors of  
Genesee County Metropolitan Planning Commission

We have audited the accompanying financial statements of the Genesee County Metropolitan Planning Commission Fund of Genesee County, Michigan as of and for the year ended September 30, 2006, as listed in the table of contents. These financial statements are the responsibility of Genesee County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States, and provisions of Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Genesee County Metropolitan Planning Commission Fund and do not purport to, and do not, present fairly the financial position of Genesee County, Michigan as of September 30, 2006, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Genesee County Metropolitan Planning Commission Fund of Genesee County, Michigan, as of September 30, 2006, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis, and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2006 on our consideration of Genesee County Metropolitan Planning Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance of the fund for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.

*Plante & Moran, PLLC*

December 22, 2006

**Genesee County Metropolitan Planning Commission  
Balance Sheet**

	September 30	
	2006	2005
<b>Assets</b>		
Cash	\$ 344,200	\$ 520,166
Accounts receivable	59,442	116,705
Due from employees	4,925	-
Due from other governmental units	387,882	334,322
Due from Genesee County Community Development Fund	189,070	97,610
Prepaid items	1,800	-
Total assets	<b>\$ 987,319</b>	<b>\$ 1,068,803</b>
<b>Liabilities</b>		
Accounts payable	\$ 66,983	\$ 27,515
Due to Genesee County General Fund	303,122	318,532
Accrued liabilities	67,412	115,761
Deferred revenue	20,000	-
Total liabilities	457,517	461,808
<b>Fund Balance</b>		
Fund balance - unreserved:		
Designated for solid waste activities	309,554	306,509
Designated for compensated absences	56,557	52,609
Designated for contractual disallowances	17,630	17,630
Designated for local match on grant	15,000	15,000
Designated for aerial reflight	113,245	113,245
Undesignated	17,816	102,002
Total fund balance	529,802	606,995
Total liabilities and fund balance	<b>\$ 987,319</b>	<b>\$ 1,068,803</b>

*See notes to financial statements.*

**Genesee County Metropolitan Planning Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**

	Year Ended September 30	
	2006	2005
<b>Revenues</b>		
Charges for services	\$ 898,280	\$ 850,341
Licenses and permits	53,629	26,631
Federal sources	521,966	540,699
State sources	55,932	47,944
Local sources	522,827	591,998
Total revenue	2,052,634	2,057,613
<b>Expenditures</b>		
General government and planning	1,332,479	1,385,298
Solid waste	245,336	124,811
Transportation planning	552,012	546,183
Total expenditures	2,129,827	2,056,292
Excess of revenues over (under) expenditures	(77,193)	1,321
Fund balance - beginning of year	606,995	605,674
<b>Fund balance - end of year</b>	<b>\$ 529,802</b>	<b>\$ 606,995</b>

**Genesee County Metropolitan Planning Commission**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**

	Year Ended September 30, 2006			Variance
	Actual	Original	Final	Favorable
	Total	Budget	Budget	(Unfavorable)
<b>Revenues</b>				
Charges for services	\$ 898,280	\$ 1,194,730	\$ 1,199,730	\$ (301,450)
Licenses and permits	53,629	-	-	53,629
Federal sources	521,966	869,042	869,042	(347,076)
State sources	55,932	78,423	73,423	(17,491)
Local sources	522,827	545,287	524,320	(1,493)
Total revenue	2,052,634	2,687,482	2,666,515	(613,881)
<b>Expenditures</b>				
Personnel services	900,932	1,065,701	1,070,701	169,769
Fringe benefits	708,876	867,066	867,066	158,190
Consulting services	152,832	365,000	305,530	152,698
Other services	143,962	117,409	159,347	15,385
Travel and conferences	5,338	10,949	11,150	5,812
Supplies and office costs	85,965	177,570	105,840	19,875
Contribution to primary government	50,000	-	50,000	-
Bad debt	4,085	-	4,085	-
Rent and other county department costs	75,770	79,787	88,796	13,026
Capital outlay	2,067	4,000	4,000	1,933
Total expenditures	2,129,827	2,687,482	2,666,515	536,688
Excess of revenues under expenditures	(77,193)	-	-	(77,193)
Fund balance - beginning of year	606,995	606,995	606,995	-
<b>Fund balance - end of year</b>	<b>\$ 529,802</b>	<b>\$ 606,995</b>	<b>\$ 606,995</b>	<b>\$ (77,193)</b>

See notes to financial statements.



**Genesee County Metropolitan Planning Commission**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2006**

**1. Summary of significant accounting policies**

The Genesee County Metropolitan Planning Commission (Commission) was created in 1963 and has full direct authority conferred by statute over the planning fund and its information gathering and planning programs.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

**A. Reporting entity:**

The Commission is considered a fund of Genesee County's governmental operation. As such, these financial statements present only the Genesee County Metropolitan Planning Commission Fund and do not purport to, and do not, present fairly the financial position of Genesee County, Michigan, as of September 30, 2006 and the changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States. Industry standards require the County to include the financial activities of the Commission in the County's Annual Financial Report. The Annual Financial Report of Genesee County is available for public inspection at the Governmental Center.

**B. Fund accounting:**

For external financial reporting purposes, the Commission accounts for its three district programs (activities) within one General Fund.

**C. Basis of accounting:**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The General Fund is accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Revenue is considered available if it is collected within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the Commission considers revenues available if they are collected within 60 days of the end of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**D. Short-term inter-government receivables/payables:**

During the course of operations, numerous transactions for goods provided or services rendered occur between the Commission, other governments, and other funds of Genesee County. These receivables and payables are classified as "Due to or from Other Governmental Units" or "Due to and From Other County Funds" on the balance sheet.

**Genesee County Metropolitan Planning Commission**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2006**

**1. Summary of significant accounting policies - (continued)**

**E. Budgets and budgetary accounting:**

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Commission adopts a budget which has a different perspective than required by accounting principles generally accepted in the United States of America. The Commission budgets for a mid-year reduction in the County appropriation as an expenditure and also budgets for bad debts as an expenditure rather than a reduction of the revenue.
2. Prior to September 1, the Director of the Commission prepares from data submitted by the administrative staff a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and resources to finance them.
3. Prior to September 30, the budget is approved by the County Board of Commissioners and legally enacted on a line item basis.
4. Budget appropriations lapse at year end.
5. The original budget is amended, if needed, during the year in compliance with state laws. The budgets to actual expenditures in the financial statements represent the final budgeted expenditures as amended by the Commission.

**F. Indirect costs:**

The Commission utilizes a cost allocation plan to charge costs to related grants by activity. Actual indirect cost and fringe benefit rates for the 2006 fiscal year were 27.58% and 78.73%, respectively. The indirect cost plan submitted and approved by the Michigan Department of Transportation for the 2006 fiscal year had indirect cost and fringe benefit rates of 44.19% and 81.33%, respectively. Any excess actual rates charged over approved rates are absorbed by the Commission.

**G. Use of estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Cash**

The Commission's cash is a part of the County's pooled cash account except for cash on hand.

At year end, the carrying amount of the Commission's cash accounts had a net balance of \$41,078. For financial statement presentation purposes, \$344,200 is classified as cash and \$303,122 is classified as due to Genesee County General Fund. Since the amounts are included in the County's Pooled cash, the Commission's share of the bank balance is unknown. For the same reason, the custodial credit risk of bank deposits held at year end is also unknown.

**Genesee County Metropolitan Planning Commission  
Notes to Financial Statements  
For the Year Ended September 30, 2006**

**3. Investments**

State statutes authorize the Commission to invest in obligations of the U.S. Treasury and U.S. agencies, deposit agreements with federally insured financial institutions maintaining an office located within the State of Michigan, high grade commercial paper, repurchase obligations of the U.S. Government and U.S. agencies, banker's acceptances of U.S. banks, and mutual funds comprised of the above authorized investments.

As a fund of Genesee County, the Commission is subject to the investment policy adopted by Genesee County. The investment policy adopted by the Genesee County Board or Commissions in accordance with Public Act 196 of 1997 has authorized investments as allowed under state statutory authority as listed above.

The Commission did not hold any investments during the year or at year end.

**4. Capital assets**

In the Comprehensive Annual Financial Report of Genesee County, the following information is rolled into the government-wide financial statements as the Commission's portion of capital assets.

The following is a summary of changes in the Commission's gross capital assets:

	Balance September 30, <u>2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance September 30, <u>2006</u>
Office equipment and furniture	<u>\$111,625</u>	\$ 22,148	\$ 11,359	<u>\$122,414</u>

**5. Defined benefit pension plan**

The Commission participates in a defined benefit pension plan covering substantially all Genesee County employees. The plan was established by Genesee County and is administrated by the Genesee County Employees Retirement System (GCERS). The GCERS is a component unit of Genesee County and acts as the contributory agent of the multi-employer defined benefit pension plan.

The plan covers all employees who are paid by a GCERS employer more than 50% of all compensation received by them for personal services. Exemptions to the 50% rule include the County Board of Commissioner's, and Judges and County Juvenile Officers who are paid partially by the County and partially by the State.

The GCERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.33(1); MCLA 46.12(a) as amended, State of Michigan. The GCERS was established by ordinance in 1946, beginning with the General Unit and the County Road Commission.

**Genesee County Metropolitan Planning Commission**  
**Notes to Financial Statements**  
**For the Year Ended September 30, 2006**

**5. Defined benefit pension plan – (continued)**

Employees are immediately members of GCERS and are required to deposit from .5% to 10.74% of all monetary compensation, including overtime. Deposits are accumulated in individual accounts for each member remaining in service. If a member leaves service, he/she may withdraw his/her accumulated contribution together with the interest credited to his/her account. Generally, employees with 23-25 years of credited service regardless of age or age 60 with eight or more years of services can receive a regular retirement benefit. The retirement benefit varies by employee group but, generally, the benefit is equal to final average compensation times the sum of 2.4% for all years of credited services and is payable monthly for life. Benefits fully vest on reaching 10 years of service. Two employers recently negotiated a fifteen year of service provision for the deferred annuity for new employees, each with a different effective date. The commencement date for the deferred annuity varies by bargaining group from a 20 to 25 year anniversary date of employment or age 60 with at least eight years of service, whichever is the earliest. The GCERS issues a separate financial report and it can be obtained from the Retirement Coordinator at the County's Administration Office, 1101 Beach Street, Flint, Michigan 48502.

The GCERS employers are required to make adequate contributions to fund the retirement allowances provided by the System. The contribution rates are determined by an annual actuarial valuation based on certain assumptions along with consideration of members contributions and assumed investment income.

**6. Defined contribution pension plan**

The County offers a defined contribution pension plan as an alternative to the defined benefit pension plan. The International City Managers Association (ICMA) administers the plan, and the County Board of Commissioners has authority over plan provisions and contribution requirements. All employees are eligible to participate in this plan, if not participating in the Defined Benefit Plan.

The County is required to contribute 10% of eligible employees' annual covered payroll, and employees are required to contribute between 3% and 7% of covered payroll. Employees are vested after 5 years of service. During the year ended September 30, 2006, County total employer and employee contributions to the plan were \$2,828,389 and \$1,442,119, respectively.

**7. Contingencies and commitments**

Federal grants:

The Commission participates in a number of federally assisted grant programs. These programs are subject to program compliance audits. The compliance audit reports for the current year have not yet been accepted by the grantor. The total amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Commission expects such amounts, if any, to be immaterial.

In anticipation of disallowed costs, fund balance of \$17,630 has been designated by the Board for potential disallowed grant expenditures.

During 1991, the Board designated an additional \$15,000 of fund balance to be expended as local matching funds for an Economic Development Agency Title IX grant.

## **Other Supplemental Information**

**Genesee County Metropolitan Planning Commission**  
**Balance Sheet - by Program**  
**September 30, 2006**  
(with summarized information for September 30, 2005)

	General	Solid Waste	Transportation Planning Grant	Totals	
				2006	2005
<b>Assets</b>					
Cash	\$ 112,292	\$ 231,908	\$ -	\$ 344,200	520,166
Accounts receivable	-	59,442	-	59,442	116,705
Due from employees	3,528	1,397	-	4,925	-
Due from other governmental units	-	35,818	352,064	387,882	334,322
Due from Genesee County Community Development Fund	189,070	-	-	189,070	97,610
Prepaid items	-	1,800	-	1,800	-
Total assets	<b>\$ 304,890</b>	<b>\$ 330,365</b>	<b>\$ 352,064</b>	<b>\$ 987,319</b>	<b>\$ 1,068,803</b>
<b>Liabilities</b>					
Accounts payable	\$ 5,371	\$ 16,155	\$ 45,457	\$ 66,983	\$ 27,515
Due to Genesee County General Fund	13,482	-	289,640	303,122	318,532
Accrued liabilities - payroll	45,789	4,656	16,967	67,412	115,761
Deferred revenue	20,000	-	-	20,000	-
Total liabilities	84,642	20,811	352,064	457,517	461,808
<b>Fund Balance</b>					
Fund balance - unreserved:					
Designated for solid waste activities	-	309,554	-	309,554	306,509
Designated for compensated absences	56,557	-	-	56,557	52,609
Designated for contractual disallowances	17,630	-	-	17,630	17,630
Designated for local match on grant	15,000	-	-	15,000	15,000
Designated for aerial reflight	113,245	-	-	113,245	113,245
Undesignated	17,816	-	-	17,816	102,002
Total fund balance	220,248	309,554	-	529,802	606,995
Total liabilities and fund balance	<b>\$ 304,890</b>	<b>\$ 330,365</b>	<b>\$ 352,064</b>	<b>\$ 987,319</b>	<b>\$ 1,068,803</b>

**Genesee County Metropolitan Planning Commission**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - by Program**  
**Year Ended September 30, 2006**  
**(with summarized information for the year ended September 30, 2005)**

	General	Solid Waste	Transportation Planning Grant
<b>Revenues</b>			
Charges for service	\$ 676,889	\$ 221,391	\$ -
Licenses and permits	-	53,629	-
Federal sources:			
FHWA	-	-	358,908
Rideshare	-	-	63,944
FTA (Section 8)	-	-	99,114
Total federal sources	-	-	521,966
State sources:			
Region V	-	-	55,932
Total state sources	-	-	55,932
Local sources			
County appropriation	504,320	-	-
Interest income	28	-	-
Miscellaneous - map sales, etc.	18,479	-	-
Total local sources	522,827	-	-
Total revenues	1,199,716	275,020	577,898
<b>Expenditures</b>			
Personnel services	582,643	54,039	264,250
Fringe benefits	458,276	42,548	208,052
Consulting services	800	93,279	58,753
Other services	76,243	48,373	19,346
Travel and conferences	2,674	2,029	635
Supplies and office costs	79,921	5,068	976
Contribution to County General Fund	50,000	-	-
Bad debt	4,085	-	-
Rent and other county department costs	75,770	-	-
Capital outlay	2,067	-	-
Total expenditures	1,332,479	245,336	552,012
Excess revenues over (under) expenditures	(132,763)	29,684	25,886
<b>Other financing sources (uses)</b>			
Transfers in (out)	52,525	(26,639)	(25,886)
Total other financing sources (uses)	52,525	(26,639)	(25,886)
Excess revenues over (under) expenditures and other financing sources (uses)	(80,238)	3,045	-
Fund balance - beginning of year	300,486	306,509	-
<b>Fund balance - end of year</b>	<b>\$ 220,248</b>	<b>\$ 309,554</b>	<b>\$ - 0 -</b>

Totals			
2006		2005	
\$	898,280	\$	850,341
	53,629		26,631
	358,908		403,251
	63,944		-
	99,114		137,448
	521,966		540,699
	55,932		47,944
	55,932		47,944
	504,320		558,482
	28		44
	18,479		33,472
	522,827		591,998
	2,052,634		2,057,613
	900,932		901,747
	708,876		689,331
	152,832		138,166
	143,962		124,786
	5,338		6,347
	85,965		74,775
	50,000		7,500
	4,085		-
	75,770		73,100
	2,067		40,540
	2,129,827		2,056,292
	(77,193)		1,321
	-		-
	-		-
	(77,193)		1,321
	606,995		605,674
\$	<b>529,802</b>	\$	<b>606,995</b>



**Genesee County Metropolitan Planning Commission**  
**Planning Grants**  
**Schedule of Revenues and Expenditures - Grantor Approved Budget and Actual**  
**Year Ended September 30, 2006**

	10/01/05 To 9/30/06	Grantor Approved Budget	Variance Favorable (Unfavorable)
<b>Revenues</b>			
FHWA	\$ 358,908	\$ 533,136	\$ (174,228)
Rideshare	63,944	70,000	(6,056)
Federal Transit Authority (Section 8)	99,114	265,906	(166,792)
GLS Region V	55,932	73,423	(17,491)
County Appropriation	104,366	184,698	(80,332)
Total revenues	<b>\$ 682,264</b>	<b>\$ 1,127,163</b>	<b>\$ (444,899)</b>
Total expenditures	<b>\$ 682,264</b>	<b>\$ 1,127,163</b>	<b>\$ 444,899</b>

**Genesee County Metropolitan Planning Commission**  
**Planning Grants**  
**Schedule of Expenditures by Grant Source**  
**As of September 30, 2006**

	FHWA	Rideshare	Federal Transit Authority Section 8	GLS Region V	County Appropriation	Total
	10/01/05 To 9/30/06	10/01/05 To 9/30/06	10/01/05 To 9/30/06	10/01/05 To 9/30/06		
Personnel services	\$ 137,489	\$ 24,897	\$ 38,669	\$ 24,527	\$ 38,668	\$ 264,250
Fringe benefits	108,245	19,601	30,444	19,310	30,452	208,052
Consulting services	37,602	-	10,575	-	10,576	58,753
Other services	7,058	6,721	156	5	5,406	19,346
Travel	404	3	114	-	114	635
Supplies	337	450	95	-	94	976
Indirect cost	67,773	12,272	19,061	12,090	19,056	130,252
Total expenditures	<b>\$ 358,908</b>	<b>\$ 63,944</b>	<b>\$ 99,114</b>	<b>\$ 55,932</b>	<b>\$ 104,366</b>	<b>\$ 682,264</b>

**Genesee County Metropolitan Planning Commission  
Other Supplemental Information  
Analysis of Funding Progress for  
Genesee County Employees' Retirement System  
Year Ended September 30, 2006  
(Dollar amount in Millions)**

<u>Plan Year End</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a) (000's)</u>	<u>Actuarial Accrued Liability Attained Age (AAL) (b) (000's)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c) (000's)</u>	<u>UAAL as % of Covered Payroll (b-a)/c)</u>
12/31/05	12/31/05	\$ 412,739	\$ 467,582	\$ 54,843	88.3%	\$ 70,433	77.87%
12/31/04	12/31/04	404,493	458,069	53,576	88.3	71,274	75.17
12/31/03	12/31/03	405,218	433,148	27,930	93.6	70,143	39.82

Note: This represents the data for the entire Retirement System.

**Genesee County Metropolitan  
Planning Commission**  
(a fund of Genesee County)

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**Federal Awards  
Supplemental Information  
September 30, 2006**

# Genesee County Metropolitan Planning Commission

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## Contents

Independent Auditor's Report	I
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	4-5
Schedule of Expenditures of Federal Awards	6
Note to Schedule of Expenditures of Federal Awards	7
Schedule of Findings and Questioned Costs	8-9



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## Independent Auditor's Report

To the Commissioners  
Genesee County Metropolitan  
Planning Commission

We have audited the basic financial statements of the Genesee County Metropolitan Planning Commission Fund of Genesee County, Michigan for the year ended September 30, 2006 and have issued our report thereon dated December 31, 2006. Those basic financial statements are the responsibility of the Genesee County Metropolitan Planning Commission Fund's management. Our responsibility is to express an opinion on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Genesee County Metropolitan Planning Commission Fund taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

December 22, 2006



Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Commissioners  
Genesee County Metropolitan  
Planning Commission

We have audited the financial statements of the Genesee County Metropolitan Planning Commission Fund of Genesee County, Michigan as of and for the year ended September 30, 2006 and have issued our report thereon dated December 22, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Genesee County Metropolitan Planning Commission Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Genesee County Metropolitan Planning Commission Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Commissioners  
Genesee County Metropolitan  
Planning Commission

This report is intended solely for the information and use of the Commission, management, State of Michigan, federal awarding agencies, and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moreau, PLLC*

December 22, 2006





Report on Compliance with Requirements Applicable to  
Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133

To the Commissioners  
Genesee County Metropolitan  
Planning Commission

**Compliance**

We have audited the compliance of the Genesee County Metropolitan Planning Commission Fund of Genesee County, Michigan with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended September 30, 2006. The major federal program of the Genesee County Metropolitan Planning Commission Fund is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Genesee County Metropolitan Planning Commission Fund's management. Our responsibility is to express an opinion on the Genesee County Metropolitan Planning Commission Fund's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Genesee County Metropolitan Planning Commission Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Genesee County Metropolitan Planning Commission Fund's compliance with those requirements.

In our opinion, the Genesee County Metropolitan Planning Commission Fund complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended September 30, 2006.

To the Commissioners  
Genesee County Metropolitan  
Planning Commission

## **Internal Control Over Compliance**

The management of the Genesee County Metropolitan Planning Commission Fund is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Genesee County Metropolitan Planning Commission Fund's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Commission, management, State of Michigan, federal awarding agencies, and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Plante & Moreau, PLLC*

December 22, 2006

# Genesee County Metropolitan Planning Commission

## Schedule of Expenditures of Federal Awards Year Ended September 30, 2006

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Project/Grant	Award Amount	Federal Expenditures
		Number		
Federal Highway Administration - Passed through Michigan Department of Transportation: Highway Planning and Construction Cluster Section 112 - Unified Work Program year ended September 30, 2006	20.205	85201	\$ 651,357	\$ 358,908
Rideshare Program - Program year ended September 30, 2006	20.205	CMG-0525(049)	<u>70,000</u>	<u>63,944</u>
Total Highway Planning and Construction Cluster			721,357	422,852
Federal Transit Administration - Passed through Michigan Michigan Department of Transportation - Urban Mass Transportation Technical Studies Grants - Section 8 - Planning and Technical Assistance - Program year ended September 30, 2006	20.505	85291	<u>332,383</u>	<u>99,114</u>
Total federal awards			<u><b>\$1,053,740</b></u>	<u><b>\$ 521,966</b></u>

# **Genesee County Metropolitan Planning Commission**

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## **Note to Schedule of Expenditures of Federal Awards Year Ended September 30, 2006**

### **Note - Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Genesee County Metropolitan Planning Commission Fund of Genesee County, Michigan and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

# Genesee County Metropolitan Planning Commission

## Schedule of Findings and Questioned Costs Year Ended September 30, 2006

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major program(s):

CFDA Number(s)	Name of Federal Program or Cluster
----------------	------------------------------------

20.205	Highway Planning and Construction Cluster
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Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

# **Genesee County Metropolitan Planning Commission**

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## **Schedule of Findings and Questioned Costs (Continued) Year Ended September 30, 2006**

### **Section II - Financial Statement Audit Findings**

None

### **Section III - Federal Program Audit Findings**

None



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December 22, 2006

Commissioners  
Genesee County Metropolitan Planning Commission  
1101 Beach Street, Room 223  
Flint, Michigan 48502

Dear Commissioners:

We recently completed our audit of the basic financial statements of Genesee County Metropolitan Planning Commission (GCMPC) in relation to Genesee County, Michigan for the year ended September 30, 2006. As a result of our audit, we have the following comments and recommendations for potential improvements to the Commission's financial procedures.

### **MDOT Provisional Rate Approval**

During our audit of GCMPC, it was noted that while management submitted to the Michigan Department of Transportation (MDOT) a request for approval of a provisional rate for fringe benefit percentage and indirect cost percentage to be used to charge costs to the grants, no response was received for the fiscal year 2006. As a result, there was no evidence on file that the provisional rate for fiscal year 2006 had been approved by MDOT. When this situation occurs we recommend that management attempt to follow up with MDOT with a second request and maintain documentation in the file.

### **Planning Accounting Systems**

Currently, GCMPC uses an elaborate ledger system specific to the Commission to allocate payroll for grant purposes. This has been done in the past out of necessity. Due to the fact that the County has recently invested in a new accounting/general ledger system, we recommend that GCMPC investigate the capabilities of the new software to determine if efficiencies may be gained by using the County's general ledger rather than use the separate Planning ledger.

### **Internal Controls**

Although we believe Genesee County Metropolitan Planning Commission currently has good internal controls, we recommend that the Commission consider the following suggestion in an effort to further strengthen the internal control environment.

- All of the cash and checks receipted in GCMPC are entered onto a cash log sheet and stamp endorsed by assigned individuals in the front office. The accountant obtains the checks and currency and prepares the deposit for the Treasurer's Office. A reconciliation of the cash log with the deposit is not done and reviewed by someone other than the accountant who prepares the deposit. We recommend that someone other than the accountant match the cash log with the deposit and initial the cash log to note that the review was done.

We would like to thank Julie Hinterman and Susan Schantz, as well as all of the Genesee County Metropolitan Planning Commission's personnel for their assistance during the audit. We appreciate the opportunity to serve as your auditors. If there are any questions about your financial report or the above comments and recommendations, we would be happy to discuss them at your convenience.

Very truly yours,

**PLANTE & MORAN, PLLC**

A handwritten signature in black ink, appearing to read "Tadd Harburn". The signature is fluid and cursive, with a large initial "T" and a stylized "H".

Tadd Harburn, CPA